

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2276-02
Bill No.: HB 1015
Subject: Drugs and Controlled Substances; Employees – Employers; Employment Security
Type: Original
Date: May 9, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Unemployment Compensation Trust Fund	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown
Total Estimated Net Effect on <u>All</u> Federal Funds	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development - Division of Workforce Development** assume the proposed legislation would have no fiscal impact on their agency.

In response to a similar proposal (SCS for SB 114) officials from the **Office of Administration - Division of Personnel** assume that the proposed legislation would have no fiscal impact on their agency.

Officials from the **Department of Labor and Industrial Relations (DOL)** state that currently, the Division of Employment Security (DES) finds misconduct, when an individual is discharged or suspended, for failing a drug test when: (1) the policy to test is part of a collective bargaining or hiring agreement and the individual has prior knowledge of such an agreement; and, (2) in the case of a random test there is reasonable suspicion the person is under the influence on the job; or, (3) there is conduct showing impairment to the extent that it has an impact on the work place; or, (4) the individual is in a safety sensitive position. This is providing the test procedures are reliable with supporting documentation.

Under the proposal the conditions under two, three and four described above, which are currently used by DES to determine misconduct for discharges and suspensions, would be removed. Removing these conditions would increase the number of claimants denied benefits and could decrease the amount of benefits paid, depending on the length of the suspension or the number of weeks of disqualification applied and the number of weeks claimed.

Currently, the DES will generally deny benefits when an individual is in a rehabilitation program preventing he/she from being able and available for work. Under the proposal if the individual is in a rehabilitation program they will not be denied under the availability for work provisions. This could increase the number of claimants eligible for benefits and the amount of benefits paid depending whether the individual is otherwise eligible, the length of time the individual is in rehabilitation and the number of weeks claimed.

Under current statute, when an individual is suspended for misconduct connected with work, he/she is denied benefits for the entire period of suspension. If the individual is discharged for the same reason, he/she is assessed four to sixteen weeks of disqualification depending on the severity of the misconduct.

The payment of unemployment benefits is funded by employer contributions to the unemployment compensation trust fund (UCTF). The proposal could decrease the amount of benefits paid for those under the suspension and discharge provisions, but could increase the amount of benefits paid for those under the availability for work provisions. The DES is not able to identify the current claims that fall within each subject category in order to estimate or project

ASSUMPTION (continued)

the potential impact of the proposal. The impact to the UCTF is not known.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
UNEMPLOYMENT COMPENSATION TRUST FUND	<u>(Unknown) to Unknown</u>	<u>(Unknown) to Unknown</u>	<u>(Unknown) to Unknown</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses could be affected by the provisions of this proposal.

DESCRIPTION

This proposal deems a professionally administered and documented positive chemical test result for controlled substances as misconduct connected with work. Claimants suspended or terminated for a positive drug test are ineligible for waiting week credit or benefits for any week if the deputy or a designated representative of the Division of Employment Security finds that a claimant has been suspended for employee misconduct. Such claimants may become eligible if they participate in a state approved drug treatment program. Suspensions of four weeks or more shall be treated as a discharge.

Employers suspending or terminating employees pursuant to this proposal must publicly post a drug-free work place policy which warns that a positive drug test will be deemed misconduct and may result in suspension, drug treatment intervention, or termination.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development - Division of Workforce Development

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Department of Labor and Industrial Relations
Office of Administration - Division of Personnel

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "E" and "A".

Jeanne Jarrett, CPA
Director

May 9, 2001